

<b>Objectives of the Meeting</b>	<ul style="list-style-type: none"> <li>• The main objective of the upcoming meeting is to begin preparing a set of recommendations on health care delivery and payment reform for consideration by the full Advisory Council.</li> <li>• With this objective in mind we have developed a draft framework and a broad set of draft recommendations for review and comment by the Task Force and the public audience.</li> <li>• We cannot over-emphasize the word <b>draft</b>. Given the timeframe we thought it would be most expedient to give the Task Force a concrete product for its consideration prior to the meeting.</li> <li>• Our plan is to present this product at the meeting on November 18th and invite any suggested additions or modifications from the Task Force and the public audience at that time.</li> </ul>
<b>Please Note</b>	<p><b>In this outline we present a framework and set of draft recommendations which was developed based upon testimony at prior Task Force and Advisory Council meetings, plus a review of dozens of documents produced by state and regional reform efforts across the country. (A list of sources is provided at the back). The intent of this outline is to capture the essential points rather than render a word-for-word recitation of any particular testimony or publication. Any apparent errors or omissions of significant content are unintentional.</b></p>
<b>Overview of the Outline</b>	<p>In this outline we present summary information on:</p> <ul style="list-style-type: none"> <li>• Broad concerns about health care delivery and payment today</li> <li>• Broad opportunities for improving health care delivery and payment</li> <li>• General findings from prior meetings and state and local efforts across the nation.</li> <li>• Innovative models of health care delivery and payment being tested in Virginia and beyond.</li> <li>• Potential roles the state could play as a partner in health care delivery and payment reform.</li> <li>• A set of draft guiding principles for generating health care delivery and payment reform initiatives.</li> <li>• A set of draft guiding questions for evaluating health care delivery and payment reform models.</li> <li>• A set of preliminary draft recommendations on health care delivery and payment reform for consideration by the full Advisory Council</li> </ul>

<b>Broad concerns about health care delivery and payment today</b>	<ol style="list-style-type: none"> <li>1. Health care spending is on an unsustainable path.</li> <li>2. Health care access and quality are inadequate for large numbers of Virginians.</li> <li>3. Some current methods of payment can contribute to higher costs and lower quality of care.</li> </ol>
<b>Broad opportunities for health care delivery and payment reform</b>	<ol style="list-style-type: none"> <li>1. Consumers, providers, purchasers, health plans, and state government can all play a role in improving health and health care.</li> <li>2. While there are traditional delivery and payment models that work well, there are also examples of innovative models which could be tested and spread throughout the system.</li> <li>3. We have an opportunity to systematically examine both traditional and innovative models against established performance criteria, and make an effort to spread models that work.</li> <li>4. There are proven strategies for systematically testing and spreading health care innovation which could be applied to accelerate improvement of health care for all Virginians.</li> </ol>
<b>General findings from prior meetings and other state, local, and private sector initiatives</b>	<ol style="list-style-type: none"> <li>1. Health care delivery and payment reform is essential for achieving the triple aim of better health, better health care, and a lower cost trajectory.</li> <li>2. There is no single, 'one-size-fits-all' model of care delivery and payment which is universally best for every population and setting of care.</li> <li>3. States and communities are achieving positive change by systematically testing and spreading models that work, with engagement from multiple stakeholders.</li> </ol>
<b>Innovative models of delivery and payment being tested in Virginia and beyond</b>	<ol style="list-style-type: none"> <li>1. Medical Homes</li> <li>2. Chronic Care Model</li> <li>3. Integrated Primary Care / Behavioral Health Models</li> <li>4. Accountable Care Organization Model</li> <li>5. Community Support Models</li> <li>6. Diverse Hospital and Specialty Care Models for Specific Conditions</li> <li>7. Enhanced Fee for Service Payment</li> <li>8. Bundled Payment</li> <li>9. Global Payment</li> <li>10. Pay for Performance</li> <li>11. Value Based Insurance Design</li> </ol>
<b>Innovative models of multi-stakeholder collaboration for delivery and payment reform.</b>	<ol style="list-style-type: none"> <li>1. Beacon Communities</li> <li>2. 'How Will We Do That' Communities</li> <li>3. Network for Regional Health Improvement Collaboratives</li> <li>4. Patient Centered Primary Care Collaborative State &amp; Local Pilots</li> </ol>

<p><b>Potential state role in improving delivery and payment systems</b></p>	<p><i>What roles might the Commonwealth of Virginia play as a partner in advancing health care delivery and payment reform? Based on what we have learned so far, the Commonwealth of Virginia might:</i></p> <ol style="list-style-type: none"> <li>1. Articulate a vision for excellence in health and health care for all Virginians which includes health care delivery and payment reform as a priority.</li> <li>2. Convene multiple stakeholders in collaborative efforts to test and spread models that work.</li> <li>3. Leverage state purchasing power to support improvements (e.g., through medical assistance programs, state employee health benefits, public health programs, public behavioral health programs, safety net programs).</li> <li>4. Implement state policy changes and regulations to support improvements.</li> <li>5. Leverage federal health care reform funding and policy initiatives to advance improvements.</li> <li>6. Advocate to federal policy-makers to assure state flexibility to test and spread improvements.</li> </ol>
<p><b>Draft guiding principles for generating delivery and payment reform initiatives</b></p> <p><i>Note: These draft guiding principles are informed by testimony before the Task Force and the Advisory Council, and a review of guiding principles used in other states.</i></p>	<p>Ideally, delivery and payment initiatives should reflect these principles:</p> <ol style="list-style-type: none"> <li>1. <b>Population-based.</b> Delivery and payment reform initiatives should be responsive to the needs of Virginia's populations and communities as they look today and as they might look in the future.</li> <li>2. <b>Patient-centered.</b> Delivery and payment reform initiatives should be responsive to the needs of individual patients consistent with proven principles of patient-centered care.</li> <li>3. <b>Personal Accountability.</b> Delivery and payment reform initiatives should include provisions for engaging patients as personally accountable through appropriate use of incentives and /or disincentives.</li> <li>4. <b>Value-driven.</b> Delivery and payment reform initiatives should be based on definable potential for improving health status, quality of care, and cost effectiveness.</li> <li>5. <b>Stakeholder-informed.</b> Delivery and payment reform initiatives should be informed by the insight and experience of patients, providers (including safety net providers), purchasers, and health plans.</li> <li>6. <b>Transferable.</b> Delivery and payment reform initiatives should be structured and evaluated in ways that support transfer of proven practices throughout the health care system while respecting the value of competition.</li> <li>7. <b>Multi-Payer.</b> Delivery and payment reform initiatives should ideally engage multiple payers in the private and public sectors so that proven practices are adopted at a level of scale sufficient to promote system-wide change.</li> <li>8. <b>Alignment Across Sectors.</b> Delivery and payment reform efforts should ideally be aligned across the public and private health care sectors so that payment decisions in one sector do not have a negative impact on the other, with particular attention to the health care safety net.</li> </ol>

<p><b>Draft guiding questions for evaluating delivery and payment models</b></p> <p><i>Note: These draft guiding questions are informed by testimony before the Task Force and the Advisory Council, and a review of guiding principles used in other states.</i></p>	<p>Ideally, delivery and payment models should be responsive to these evaluation questions. Does the model:</p> <ol style="list-style-type: none"> <li>1. Reward patient-centered care?</li> <li>2. Reward value of care over volume of care?</li> <li>3. Reward quality, safety, and efficiency?</li> <li>4. Reward continuity and coordination of care across multiple providers?</li> <li>5. Engage patients as informed and responsible partners in their care?</li> <li>6. Appropriately incorporate risk adjustment?</li> <li>7. Ensure reasonable timeframes for implementing practice improvements?</li> <li>8. Provide payment sufficient to support sustained practice by reasonably efficient providers?</li> <li>9. Require provider accountability for performance?</li> <li>10. Improve health outcomes?</li> <li>11. Provide actionable data and feedback to providers?</li> <li>12. Avoid undue complexity or administrative costs?</li> <li>13. Allow providers to share in savings?</li> <li>14. Penalize providers for delivery of no- or low-value care?</li> <li>15. Require providers to bear risk for avoidable excess costs?</li> <li>16. Recognize best practices in medical care while, encouraging health care improvement and innovation?</li> <li>17. Avoid adverse impacts on the health care safety net?</li> <li>18. Avoid adverse impacts on health professions training programs?</li> <li>19. Promote equitable access to quality care for all patients with similar conditions?</li> <li>20. Hold potential for dissemination to additional settings?</li> <li>21. Recognize geographic and socio-economic factors in establishing payment and delivery reform systems?</li> </ol>
<p><b>Draft recommendations for the Advisory Council</b></p>	<p><i>Given the context outlined above, a list of draft recommendations to the Governor for review by the full Advisory Council could include the following. These recommendations could be implemented beginning in 2011.</i></p> <ol style="list-style-type: none"> <li>1. Include improvement of health care delivery and payment as part of an overall vision of excellence in health and health care for all Virginians.</li> <li>2. Convene multiple stakeholders in collaborative efforts to identify, pilot test, and spread effective models of health care delivery and payment; using as reference points the lists of stakeholders, models, guiding principles, and guiding evaluation questions outlined above; and using the diverse models of organization and financing found in other states as sources of ideas for a Virginia model.</li> <li>3. Leverage state purchasing power to support improvement of health care delivery and payment in state funded programs, ideally in conjunction with recommendation #2, and using the lists of stakeholders, models, guiding principles, and guiding evaluation questions as a framework.</li> <li>4. Implement state policies and regulations as necessary and prudent to support health care delivery and payment initiatives emerging from recommendations #2 and #3.</li> <li>5. Protect the existing healthcare safety net to ensure its continued existence through the transition period to 2014 and beyond as needed.</li> <li>6. Leverage federal health care reform funding and policy initiatives as appropriate to advance Virginia initiatives for health care delivery and payment reform.</li> <li>7. Advocate to federal policy makers for state flexibility to test and spread improvements.</li> </ol>

## Selected List of Sources

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